

Authorization

Sections 620.2000 to 620.2020

Eligible Applicants

- For-profit or nonprofit businesses
- Not eligible:
 - Gambling establishments, food and drinking places, public utilities, educational services, religious organizations, public administration, ethanol distillation or production, biodiesel production, healthcare and social services, or store front consumer-based retail trade establishments not located in a third- or fourth-class county.
 - Businesses that are delinquent in payment of any nonprotested taxes or other payments (state, federal, local).
 - Businesses that have filed for or have publicly announced their intention to file for bankruptcy, unless certain requirements are met.
 - Businesses that are relocating jobs from Johnson, Miami, or Wyandotte counties in Kansas to Jackson, Platte, Clay or Cass Counties in Missouri. However, net new jobs created above a qualified company's base employment may be eligible for benefits.
- Note: Headquarters, administrative, or research and development offices of otherwise excluded businesses may be eligible if the predominant function of such offices is to serve a multistate territory.

Application/Approval Procedure

Prior to the receipt of a DED proposal or approval of a notice of intent (NOI), none of the following can have occurred:

- Significant, project-specific site work at the project facility
- Purchased machinery or equipment related to the project
- A publicly announced intention to make new capital investment at the project facility

A qualified company may request a proposal for estimated benefits or apply directly with an NOI to DED. DED will then confirm the business is eligible; establish the date at which "base employment" is calculated; reserve the estimated tax credits for the project (if any); and establish the two-year deadline date by which the minimum thresholds for the creation of the new jobs, investment, etc. must be met.

Program Benefits

Program benefits include (a) the retention of the state withholding tax of the new jobs and/or (b) state tax credits, which are refundable, transferable and saleable. The program benefits are based on a percentage of the payroll of the new jobs. The program benefits are not provided until the minimum new job threshold is met and the company meets the average wage and health insurance requirements. For definitions of "full-time employee," "new jobs," and "project facility base employment," please see the Missouri Works Program Guidelines.

Eligibility Criteria

| Program | Minimum New Jobs | Minimum New Private Capital Investment | Minimum Average Wage | Automatic Benefit |
|-----------------------------|------------------|--|--------------------------|---|
| Zone Works ¹ | 2 | \$100,000 | 80% of County Avg. Wage | WH, 5 or 6 years ³ |
| Rural Works ² | 2 | \$100,000 | 90% of County Avg. Wage | WH, 5 or 6 years ³ |
| Statewide Works | 10 | N/A | 90% of County Avg. Wage | WH, 5 or 6 years ³ |
| Mega Works 120 | 100 | N/A | 120% of County Avg. Wage | 6% of new payroll, 5 or 6 years ³ |
| Mega Works 140 | 100 | N/A | 140% of County Avg. Wage | 7% of new payroll, 5 or 6 years ³ |
| Qualified Military Projects | 10 | Real or personal property amount as outlined in the proposal | 90% of County Avg. Wage | Tax credits equal to the estimated WH taxes for a term up to 15 years. Must receive a proposal for benefits |

"WH" means the retention of the state withholding tax of the new jobs.

1. Project facility must be located in an Enhanced Enterprise Zone
2. Project Facility must be located in a "rural" county, which would NOT include Boone, Buchanan, Clay, Greene, Jackson, Platte, St. Charles, and St. Louis City and County.
3. Benefit period is 5 years, or 6 years for existing Missouri Companies (those that have been operational in Missouri for at least 10 years).



In addition to the Benefit indicated above, the Statewide Works or Mega Works projects may be considered for discretionary benefits. The criteria for the discretionary benefits include:

- The least amount necessary to obtain the company's commitment;
- The amount of the project's projected net fiscal benefit to the state and the period in which the state would realize such net fiscal benefit;
- The overall size (number of jobs, payroll, new capital investment) and quality (average wages, growth potential of the company, multiplier effect of the industry) of the project;
- The financial stability and creditworthiness of the company;
- The level of economic distress of the project area;
- The competitiveness of alternative locations; and
- The percentage of local incentives committed to the project.

Funding Limits—Program Caps

- \$116 million in tax credits
- Note: Up to 21.5% of tax credit cap may be set aside for the Deal Closing Fund.
- \$10 million in tax credits for infrastructure projects
- \$75 million in withholdings for companies with a base employment of 50 or more.

Attributes of the Tax Credits

The tax credits may be applied to Chapter 143 (state income tax, excluding withholding tax) and Chapter 148 (financial institution tax) liabilities. Tax credits must be claimed within one year of the close of the taxable year for which they were issued. Tax credits can only be applied to tax liability for the year in which they were earned. Any annual unused balance is fully refundable. The credits may also be transferred, sold or assigned.

Reporting Requirements

On an annual basis, the business must submit a report documenting the new jobs created, the total payroll, and that the business meets the health insurance requirements for the new jobs. In the event that a company has not maintained the minimum program requirements, benefits will cease for the remainder of the benefit period and may require repayment. The Tax Credit Accountability Act Reporting Form must also be submitted to the Department of Revenue by June 30 each year the company receives tax credits and for three years following the issuance of the tax credits.

Special Program Requirements

Special conditions apply when Missouri Works is used at the same time as other programs that affect state withholding taxes (e.g. Missouri One Start, State Tax Increment Financing).

- | | |
|----------------------------|------------------------------|
| ■ AGI of \$15-20,000 1.13% | ■ AGI of \$50-55,000 3.16% |
| ■ AGI of \$20-25,000 1.79% | ■ AGI of \$55-60,000 3.22% |
| ■ AGI of \$25-30,000 2.28% | ■ AGI of \$60-65,000 3.28% |
| ■ AGI of \$30-35,000 2.62% | ■ AGI of \$65-70,000 3.33% |
| ■ AGI of \$35-40,000 2.85% | ■ AGI of 70-75,000 3.41% |
| ■ AGI of \$40-45,000 2.98% | ■ AGI of \$75-100,000 3.19% |
| ■ AGI of \$45-50,000 3.06% | ■ AGI of \$100-200,000 2.81% |

County Average Wages (Effective until 6/30/2023)

Average county wages are based on Census of Employment and Wages, MERIC. Updates to be made annually. Use 2,080 hours per year when converting from annual to hourly wages.

| County | Average Annual Wage | County | Average Annual Wage |
|----------------|---------------------|-----------|---------------------|
| Adair | \$37,724 | Crawford | \$41,711 |
| Andrew | \$36,647 | Dade | \$36,428 |
| Atchison | \$39,450 | Dallas | \$27,586 |
| Audrain | \$42,212 | Daviess | \$31,292 |
| Barry | \$42,063 | DeKalb | \$39,440 |
| Barton | \$38,851 | Dent | \$34,000 |
| Bates | \$35,968 | Douglas | \$31,291 |
| Benton | \$32,960 | Dunklin | \$30,257 |
| Bollinger | \$35,438 | Franklin | \$46,587 |
| Boone | \$49,791 | Gasconade | \$35,341 |
| Buchanan | \$52,754 | Gentry | \$41,526 |
| Butler | \$37,621 | Greene | \$50,811 |
| Caldwell | \$41,676 | Grundy | \$36,406 |
| Callaway | \$52,909 | Harrison | \$34,868 |
| Camden | \$41,079 | Henry | \$39,593 |
| Cape Girardeau | \$47,153 | Hickory | \$30,754 |
| Carroll | \$39,057 | Holt | \$42,790 |
| Carter | \$27,562 | Howard | \$35,969 |
| Cass | \$41,847 | Howell | \$38,335 |
| Cedar | \$30,690 | Iron | \$42,694 |
| Chariton | \$38,714 | Jackson | \$57,329 |
| Christian | \$37,990 | Jasper | \$45,059 |
| Clark | \$31,512 | Jefferson | \$43,234 |
| Clay | \$54,525 | Johnson | \$36,791 |
| Clinton | \$41,648 | Knox | \$36,839 |
| Cole | \$47,210 | Laclede | \$40,707 |
| Cooper | \$36,805 | Lafayette | \$38,517 |



| County | Average Annual Wage | County | Average Annual Wage | County | Average Annual Wage | County | Average Annual Wage |
|-------------|---------------------|----------|---------------------|------------------|---------------------|------------|---------------------|
| Lawrence | \$40,902 | Oregon | \$28,845 | Scott | \$43,338 | Sullivan | \$47,266 |
| Lewis | \$38,976 | Osage | \$42,818 | Shannon | \$29,465 | Taney | \$36,760 |
| Lincoln | \$45,479 | Ozark | \$28,250 | Shelby | \$40,868 | Texas | \$33,372 |
| Linn | \$39,501 | Pemiscot | \$32,301 | St. Charles | \$52,597 | Vernon | \$40,460 |
| Livingston | \$39,159 | Perry | \$42,131 | St. Louis City | \$57,329 | Warren | \$44,089 |
| Macon | \$37,653 | Pettis | \$41,563 | St. Louis County | \$57,329 | Washington | \$31,976 |
| Madison | \$33,551 | Phelps | \$41,827 | St. Clair | \$31,806 | Wayne | \$30,971 |
| Maries | \$36,704 | Pike | \$38,012 | St. Francois | \$35,708 | Webster | \$39,594 |
| Marion | \$43,745 | Platte | \$56,003 | Ste. Genevieve | \$49,448 | Worth | \$28,901 |
| McDonald | \$40,124 | Polk | \$37,234 | Stoddard | \$41,929 | Wright | \$35,772 |
| Mercer | \$42,408 | Pulaski | \$32,525 | Stone | \$33,702 | Statewide | \$57,329 |
| Miller | \$36,610 | Putnam | \$33,921 | | | | |
| Mississippi | \$35,006 | Ralls | \$48,229 | | | | |
| Moniteau | \$42,760 | Randolph | \$44,330 | | | | |
| Monroe | \$33,854 | Ray | \$41,241 | | | | |
| Montgomery | \$42,116 | Reynolds | \$43,561 | | | | |
| Morgan | \$33,437 | Ripley | \$24,277 | | | | |
| New Madrid | \$41,042 | Saline | \$41,856 | | | | |
| Newton | \$47,424 | Schuyler | \$32,520 | | | | |
| Nodaway | \$38,818 | Scotland | \$32,568 | | | | |

Statewide average of \$57,329 applicable to any county over the statewide average when determining eligibility. (Jackson, St. Louis County and City)

The wage represents an average for all private industries.

If a project is moving from one Missouri county to a county with a lower county average wage, the company must obtain endorsement from the governing body of the community where the jobs are located, or the higher county average wage will be used for calculations.

